



Request for City Council Committee Action from the Department of Public Works

Date: November 7, 2013

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

Subject: **Non-Motorized Transportation Pilot Project Amendments to Grant Agreements with MNDOT and Transit for Livable Communities**

Recommendation:

Authorize City Officers to execute amendments, respectively, to the MNDOT Agreement No. 89757 (City Agreement C-23888) and to City Agreement (C-23887) with Transit for Livable Communities (TLC) to perform specific work efforts as outlined in and in accordance with MNDOT Agreement No. 89757 that:

- A. Extends the end date from December 31, 2013, to December 31, 2014, and
- B. Changes the retainage (holdback) percentage from 5% to 2% or 1% based on the amount of remaining audited invoices

Previous Directives:

- November 4, 2011 - City Council authorized Agreement amendments with MNDOT and TLC that: Increased the Federal grant funding from \$5,636,000 to \$7,515,308; Extended the end date from December 31, 2011 to December 31, 2013; Changed the holdback percentage from 10% to 5%; and Added new federal language for the Federal Funding Accountability and Transparency Act (FFATA).
- August 4, 2006 - City Council authorized original grant agreements and appropriations

Department Information:

Prepared by: Jon Wertjes, P.E., PTOE, Director of Traffic & Parking Services, 673-2614

Approved by: _____

Steven A. Kotke, P.E., Director of Public Works

Presenters in Committee: Jon Wertjes

Financial Impact

- Action is within the Business Plan

Community Impact

- Neighborhood Notification: Not applicable
- City Goals: A Safe Place To Call Home
- Comprehensive Plan: Not applicable
- Zoning Code: Not applicable

Supporting Information

Background

The Non-motorized Transportation Pilot Project (NTP) was authorized by the Federal Government on August 2005 as part of the SAFETEA-LU transportation bill. The Minneapolis area is one of four communities designated to serve as a pilot in determining "the extent to which bicycling and walking can carry a significant part of the transportation load, and represent a major portion of the transportation solution." The other three pilot communities are Sheboygan, WI; Marin County, CA; and Columbia, MO. Only in Minnesota was an independent non-profit (TLC) designated to carry out the program.

The City entered into two agreements, one with MNDOT and the other with Transit for Livable Communities (TLC). The City of Minneapolis is the fiscal agent for federal grant funding to TLC. Because the program falls under the State Aid Process, the funds are first released by the FHWA to MNDOT. However, since MNDOT cannot allocate funds to a non-taxing authority, TLC needs a fiscal agent to carry out their administrative duties/preliminary engineering.

The current agreement expenditure limit and date are \$7,515,308 and December 31, 2013. Based on invoices submitted through June 30, 2013, there remained approximately \$375,000 in funding which is expected to primarily be used over the next several months to complete the remaining items and perform final close out efforts. It is expected that some of these remaining efforts will go in to 2014.

TLC has requested an extension to the contract to December 31, 2014 and appropriately adjust the holdback retainage. MNDOT has conducted desk review audits of approximately 75% of the project expenses and very few changes have been identified. Both MNDOT and City staff agree that a reduction in the holdback percentage is appropriate based on these auditing efforts.

Recommendation

Amendments are needed to both the TLC and MNDOT agreements for the Non-motorized Transportation Pilot Project work efforts (SP 141-090-28, MNDOT Agreement #89757, City Contract C-23888 and TLC Agreement C-23887). The project costs will continue to be 100% grant funded and no match requirements.

Public Works seeks authorization to enter into amendments with both MNDOT and TLC, respectively, based on four key changes for these amended contracts:

- Extend the end date from December 31, 2013 to December 31, 2014.
- Reduce the retainage (holdback) percentage from 5% to 2% or 1% based on the amount of remaining audited invoices.